

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7705**

**BILL NUMBER:** HB 1137

**NOTE PREPARED:** Apr 5, 2005

**BILL AMENDED:** Apr 5, 2005

**SUBJECT:** Office of Technology.

**FIRST AUTHOR:** Rep. Murphy

**FIRST SPONSOR:** Sen. Ford

**BILL STATUS:** CR Adopted - 2<sup>nd</sup> House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** (Amended) *(1)(a) and (b)*: This bill creates the Office of Technology by combining the duties performed by the Division of Information Technology of the Department of Administration, the Information Technology Oversight Commission, and the Intelnet Commission, including the Enhanced Data Access Review Committee. The bill transfers to the new office the duties, rules, personnel, funds, and equipment of the combined entities. This bill makes conforming changes. It also repeals the statutes establishing the State Information Technology Oversight Commission, the Information Technology Advisory Committee, a definition of intelnet in the public purchasing law, and a reference to the Intelnet Commission in the law concerning immunity.

(2) It provides that the Office of Technology assist political subdivisions in coordinating operations of information technology systems.

(3) The bill creates a group to assist the Chief Information Officer in developing accessibility standards.

(4) This bill provides that the Chief Information Officer of the Office of Technology participates in decisions made by the Higher Education Telecommunications System.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** *Summary:* The overall fiscal impact of this legislation is estimated to be minimal. The provisions of this bill have been divided into four sections. The fiscal impact of each section is explained below:

(1) (a) *General Reorganization*: The cost of this general restructuring is expected to be limited. The transition is not expected to necessitate the hiring of additional support staff or require additional office space.

(b) *New responsibilities for State Agencies*: The possible increase in administrative costs that may result from these new responsibilities could presumably be covered through the use of existing staff and resources.

(2) *Office of Technology assistance to Political Subdivisions*: The provisions of this bill relating assistance to political subdivisions will have an indeterminable administrative cost impact. The administrative costs will ultimately determined by the administrative actions taken by Office in complying with these provisions. There also will be an indeterminable impact on the County Assessors (See Local Expenditures).

(3) *Group on Accessibility Standards*: This group is established to assist the CIO in developing accessibility standards. Any fiscal impact is expected to be covered through the use of existing staff and resources of the agencies required to be represented.

*Background Details*: The following is a more detailed description of the sections discussed above.

(Revised) (1)(a) *General Reorganization*: The Office of Technology, created in this bill, will combine the rules, personnel, funds, and equipment of three existing entities:

- (1) the Department of Administration's Division of Information Technology;
- (2) the Information Technology Oversight Commission; and,
- (3) the Enhanced Data Access Review Committee (EDARC).

The bill also transfers the duties and authority of the Intelnet Commission, but unlike the three entities above, the bill does not repeal the Intelnet Commission.

The cost of this general restructuring is expected to be limited. The transition is not expected to necessitate the hiring of additional support staff or require additional office space. This bill provides that the Governor appoints the Chief Information Officer (CIO) of the Office.

The December 7, 2004, state staffing report indicates that the Department of Administration's Division of Information Technology (DoIT) currently has 119 positions filled, and approximately 43 vacancies. The Information Technology Oversight Commission (ITOC) has 7 positions, of which 5 are filled.

The Intelnet Commission provides administrative staff for the EDARC, whose membership is as follows:

- (1) The State Budget Director or the director's designee.
- (2) The Commissioner of the Indiana Department of Administration or the Commissioner's designee.
- (3) A liaison from the Governor's office.
- (4) The Director of the State Library or the Director's designee.
- (5) The Director of the Commission on Public Records or the Director's designee.
- (6) The Attorney General or the Attorney General's designee.
- (7) Three individuals who are members of the general public appointed by the Governor for three-year terms.

The bill also provides that funds in any account of Intelnet or the Enhanced Access Review Committee up to \$5 M are to be transferred to the Office of Technology. Under the bill, any funds exceeding \$5 M are to be transferred to the state General Fund.

DoIT is funded through the Data Processing Rotary Fund and the Telephone Rotary Fund. Revenue to these rotary funds comes from fees assessed on state agencies. During the FY 2004 - FY 2005 biennium, DoIT is budgeted approximately \$59,587,500 each year. DoIT also receives an annual \$2.18 M appropriation from revenue to the state's Pay Phone Account.

ITOC receives a General Fund appropriation. During the current biennium, ITOC was budgeted \$663,403 each year. The bill specifies that the FY 2006 appropriation to DoIT and to ITOC are transferred to the Department of Information Technology beginning July 1, 2005.

(Revised) *(1)(b) New Responsibilities for State Agencies:* This bill also requires that all included state agencies\*, when directed by the Governor, shall use the information and telecommunications services provided by the Office. The agencies that are included in this provision are also required to submit to the Office an inventory of all significant information technology hardware, software, personnel, and information technology contracts. Any increase in administrative costs that result from this provision could presumably be covered through the use of existing staff and resources.

\*The legislative and judicial departments of state government, state educational institutions, and the Indiana Higher Education Telecommunications System are not required to, but may with consent of the CIO, use the Office's services.

*(2) Office of Technology assistance to Political Subdivisions:* The provisions relating to this assistance would allow the Office, if it chooses, to facilitate an effort among political subdivisions to establish policies to promote economical, effective, and integrated technology services. The bill requires that the certified computer systems used by county assessors must be compatible with the data export and transmission requirements prescribed by the Office of Technology.

The provisions of this bill related to providing assistance to political subdivisions will have an indeterminable administrative cost impact. The administrative costs will ultimately determined by the administrative actions taken by Office in complying with these provisions.

*(3) Group on Accessibility Standards:* This group is established to assist the CIO in developing accessibility standards. Any fiscal impact is expected to be covered through the use of existing staff and resources of the agencies required to be represented. There is currently a similar group provided for in IC 4-23-16-12, and therefore the impact of establishing this new group is expected to be covered through the use of existing staff and resources.

### **Explanation of State Revenues:**

**Explanation of Local Expenditures:** *(3) Office of Technology assistance to Political Subdivisions:* This bill replaces the Department of Local Government Finance (DLGF) with the Office as the entity with which County Assessor certified computer systems must be compatible. Currently IC 6-1.1-31.5-3.5 requires that County Assessor certified computer systems be compatible with a standard format prescribed by the DLGF. This bill would require the systems to be compatible with a standard format prescribed by the Office. The impact of this

provision is indeterminable. The ultimate cost to the County Assessors will be determined by the format prescribed by the Office, and the possible cost for the Assessors to become compatible with a different format.

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Administration; Information Technology Oversight Commission; Intelenet Commission; Enhanced Data Access Commission; State Commission on Public Records; Indiana Higher Education Telecommunications System; all other included state agencies.

**Local Agencies Affected:** All; County Assessors.

**Information Sources:** Auditor of State; State Budget Agency.

**Fiscal Analyst:** Adam Brown, 317-232-9854.